

Shared-Work Plan

UNEMPLOYMENT INSURANCE AGENCY

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What is a Shared-Work Plan?

A Shared-Work Plan is a program that permits employers to retain its employees in lieu of a lay-off by sharing available reduced hours of work among a specific group of affected permanent employees. The Shared-Work Plan does not apply to seasonal, temporary, or intermittent employment. Participation in the Shared-Work Plan allows employers to maintain operational productivity by allowing employees to continue working at reduced hours while collecting some unemployment benefits.

Under the Shared-Work Plan, unemployment benefits are based on a percentage of the reduced hours of work and pay. The reduction in work hours must result in an equivalent reduction in wages. Unemployment benefits cannot exceed 20 times the weekly benefit payable to participating employees. Participating employees must have earned a sufficient amount of wages in order to establish an unemployment claim and receive Shared-Work benefits. The Plan requires employers to maintain the fringe benefits of participating employees and obtain approval, if necessary, from collective bargaining representatives.

Example of calculation of Shared-Work Plan Benefit: If a worker's full weekly benefit amount is \$360, and his or her hours and wages were reduced by 20 percent, the worker would receive a weekly Shared-Work benefit payment of $\$360 \times 0.20 = \72 .

Plan Eligibility

Employers must meet and maintain the following requirements in order to participate in the Shared-Work Program:

- Unemployment taxes must be current;
- Experience account balance must have "positive" reserve;
- Must have paid wages for at least 12 of the previous quarters;
- Must not hire new employees into the affected work unit nor transfer employees into the unit during a plan, nor reduce hours of work below the number allowed under a plan; and
- Must certify that participation in a plan is in lieu of a temporary lay-off which reduces employees' normal work hours by at least 15 percent but not more than 45 percent.

Employers may have two or more plans covering separate groups of employees. All employees in the affected unit must participate in the plan. A plan must include a minimum of two employees. Plans may be approved for a period of up to 52 consecutive weeks.

Benefit Costs & Experience Accounts

The Shared-Work Plan program will be 94.9 percent federally funded and 5.1 percent funded by the employer from March 1, 2013 through September 30, 2013. Because this funding formula is subject to change by the USDOL, interested employers should review the online application page for the latest, up to date information.

Application Process

Employers may file an online application through the Michigan Web Account Manager (MiWAM) via the Unemployment Insurance Agency (UIA) website at www.michigan.gov/uiia.

Approved applications will become effective the Sunday after the week in which the application was submitted. Employers will be required to provide employee information and bi-weekly unemployment certifications for the affected work unit. Participating employees are prohibited from providing unemployment certifications under the Shared-Work Plan.



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